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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

CODE OF FAIR COMPETITION SERIES—CODE No. 15

CODE OF FAIR COMPETITION
FOR
THE FEED MANUFACTURING
INDUSTRY

Approved by the President of the United States
May 23, 1934

Effective June 4, 1934

1. Executive Order
2. Letter of Transmittal (Secretary of Agriculture)
3. Letter of Transmittal (Administrator, N.R.A.)
4. Code



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1934

EXECUTIVE ORDER

APPROVAL OF CODE OF FAIR COMPETITION FOR THE FEED MANUFACTURING INDUSTRY

Whereas, the Secretary of Agriculture and the Administrator of the National Industrial Recovery Act having rendered their separate reports and recommendations and findings on the provisions of said Code, coming within their respective jurisdictions, as set forth in the Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933, and as amended by Executive Order No. 6551, of January 8, 1934.

Now, therefore, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find that:

1. An application has been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Feed Manufacturing Industry; and,

2. Due notice and opportunity for hearings to interested parties have been given pursuant to the provisions of the Act and regulations thereunder; and,

3. Hearings have been held upon said Code, pursuant to such notice and pursuant to the pertinent provisions of the Act and regulations thereunder; and,

4. Said Code of Fair Competition constitutes a Code of Fair Competition, as contemplated by the Act and complies in all respects with the pertinent provisions of the Act, including clauses (1) and (2) of subsection (a) of section 3 of Title I of the Act; and,

5. It appears, after due consideration, that said Code of Fair Competition will tend to effectuate the policy of Congress as declared in section 1 of Title I of the Act.

Now, therefore, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Feed Manufacturing Industry, provided that the continued participation of the American Feed Manufacturers' Association, Inc. in the selection of the Code Authority, after June 1, 1934 shall be contingent upon its amendment of its bylaws to the satisfaction of the Secretary of Agriculture and the Administrator for Industrial Recovery.


President of the United States.

THE WHITE HOUSE,
May 23, 1934.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Letter of Transmittal from the Secretary of Agriculture to the President of the United States, Recommending Approval of a Code of Fair Competition for the Feed Manufacturing Industry

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Secretary of Agriculture has the honor to submit the following:

1. There is transmitted herewith a Code of Fair Competition for the Feed Manufacturing Industry, which he recommends for your approval and which the National Recovery Administrator recommends for your approval with reference to the labor provision thereof. There accompanies the Code the report of the Administrator of the Agricultural Adjustment Act, the report of the Administrator of Title I of the National Industrial Recovery Act, and a true, correct, and complete stenographic report of all the evidence introduced at a public hearing on said Code, held pursuant to section 3 (a), Title I of the National Industrial Recovery Act.

2. By virtue of Executive Order No. 6182, of June 26, 1933, as supplemented by Executive Order 6207, of July 21, 1933, and Executive Order No. 6345, of October 20, 1933, and amended by Executive Order No. 6551, of January 8, 1934, which, pursuant to Title I of the National Industrial Recovery Act of June 16, 1933 (Public No. 67, 73d Congress), delegated to the Secretary of Agriculture certain of the powers vested in the President of the United States by the aforesaid Act, and after considering the aforesaid Code of Fair Competition and a true, correct, and complete stenographic report of all evidence introduced at such public hearing, and being fully advised in the premises, the Secretary of Agriculture makes the following findings:

1. That an application has been made through a Code Committee by the American Feed Manufacturers' Association, Inc., pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval of the President, of the Code of Fair Competition for the Feed Manufacturing Industry. Said trade association and the supervisory body provided for in such Code are truly representative of this industry, and no inequitable restrictions on admission to membership are imposed by the said association.

2. That the Feed Manufacturing Industry, covered by such Code, is included within the trades, industries, or subdivisions thereof enumerated in section II of Executive Order No. 6551, of January 8, 1934, (amending Executive Order No. 6162 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933).

3. That the provisions of the Code establishing standards of fair competition (a) are regulations of transactions in or affecting interstate commerce and (b) are reasonable.

4. That the Code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will not permit monopolies or monopolistic practices.

5. That the Code will not prevent an individual from pursuing the vocation of manual labor and selling or trading the products thereof nor prevent anyone from marketing or trading the produce of his farm.

6. That due notice and opportunity for hearing, in connection with the aforesaid Code has been afforded interested parties in accordance with Title I of the National Industrial Recovery Act and applicable regulations issued thereunder.

7. That said Code will tend to effectuate the declared policy of Title I of the National Industrial Recovery Act as set forth in section 1 of said Act in that the terms and provisions of such Code tend to: (a) Remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power; and (g) otherwise to rehabilitate industry and to conserve natural resources.

8. That said Code, when approved by the President, will constitute a Code of Fair Competition for the Feed Manufacturing Industry within the meaning of section 3 (a) of Title I of the National Industrial Recovery Act.

3. For these reasons, therefore, the Secretary has approved this Code, subject to the condition that the continued participation of the American Feed Manufacturers' Association, Inc., in the selection of the Code Authority after June 1, 1934, shall be contingent upon its amending its bylaws to the satisfaction of the Secretary and the Administrator.

Respectfully,

R. G. Tugwell

Acting Secretary.

MAY 23, 1934.

NATIONAL RECOVERY ADMINISTRATION

LETTER OF TRANSMITTAL

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Feed Manufacturing Industry, and on the public hearing, held in Washington, D.C., January 18 and 19, 1934, in accordance with the provisions of the National Industrial Recovery Act.

GENERAL STATEMENT

This Code was heard at a public hearing called by the Secretary of Agriculture. Under Executive order of January 8, 1934, those provisions of the Code which were under jurisdiction of the Secretary of Agriculture, pursuant to your Executive order of June 26, 1933, were transferred to this Administration, whose representatives have made certain revisions in the Code, as is customary after public hearing.

This industry manufactures feed and mills alfalfa (primarily intended for animal consumption) for sale and distribution at wholesale. It buys its raw materials from farmers and in turn sells them its finished product.

The Code Committee representing the industry testified at the public hearing that there are 466 wholesale feed manufacturers in the United States; of this number 173 are direct members of the American Feed Manufacturers' Association, Incorporated; 108 are affiliates, who authorized the Association to represent them at the Code hearing, making a total representation by the Association of 281, which is equivalent to 60.03 percent by number and 85 percent by tonnage volume of those engaged in the industry.

The estimated number of employees in the industry (report of Research and Planning Division) are 8,179 for the year 1929; 6,760 for 1931; 5,070 for 1933, before the President's Reemployment Agreement became effective. (Census of manufacturers' figures were used for 1929 and 1931 with an estimate of 25 percent reduction in employment between 1931 and 1933.) The estimated increase in number of employees under this Code over the year 1933, before the President's Reemployment Agreement (Research and Planning Division report) is 610, or 12.3 percent. Based on 1929 figures rather than 1933, the Labor Advisory Board, using the report of the Research and Planning Division, believes the increase in employment will be from 7 percent to 8 percent. While this increase is not very large, it is believed the Code will offer continuous employment, thus tending to stabilization.

This industry has suffered a marked decline in business. In comparison with the 1929 production, the yearly volume shows a reduction in tonnage for 1931 of approximately 22 percent, for 1932 of approximately 40 percent, and 1933 of 39 percent.

The Code Authority will be selected by a method which is deemed to assure its representative nature. Provision is made for the necessary expenses of the Code Authority in its administration of the Code.

PROVISIONS AS TO HOURS

All labor, clerical and otherwise, is placed on a basis of 40 hours per week and 8 hours per day, with an exception for plant workers of two 10-week peak periods, one period permitting 44 hours, the other, 48 hours with a penalty of time and one third for all time worked in excess of 44 hours. For the remaining 32 weeks of the year, the 40-hour week prevails for plant workers permitting, however, the 40-hour week to be averaged over a four weeks' period to allow a 44-hour week and 9-hour day (extra hours being paid at the normal hourly rate). Clerical and office employees may work 44 hours per week, 9 hours per day, keeping within the 40-hour week averaged over four weeks.

The peak periods are necessary in view of the heavy demand for feed in the spring and early fall months. It is the practice of the industry to run off its orders for feed as received, and not manufacture a product to be stored a great length of time against probable future orders.

Watchmen are limited to 56 hours per week; chauffeurs and deliverymen to 48 hours; engineers, electricians, technical workers and clean-up men may work 4 hours per week in addition to the hours prescribed for factory and mechanical workers, with a penalty of time and one third for hours in excess of 48 (assuring continuous operation of the mills) and the supervisory force is exempted when the salaries are \$35.00 or over per week. Employees engaged in emergency repair work are exempted, with a penalty of time and one third in excess of 40 hours.

PROVISIONS AS TO WAGES

The minimum wage rates in this Code are as follows:

(1) Office and clerical employees, \$14.00 to \$16.00 per week, graduated on the basis of population, with a differential of \$2.00 for office boys and messengers.

(2) Watchmen, \$16.00 per week in the North; \$14.00 per week in the South.

(3) Plant workers, 40 cents per hour in the North; 25 cents per hour in the South, and those engaged in the milling of alfalfa, 35 cents per hour.

The 15-cent differential in the minimum wage rate for the South is warranted. It is contemplated that this rate will prevail only in the small mills which manufacture for local consumption and do not compete with the northern mills.

Under this Code, minimum rates of pay are guaranteed regardless of whether compensated on time-rate or piece-work basis. The Code further provides for the maintenance of fair differentials and wage adjustments; the employment of physically handicapped persons on light work; the posting of labor provisions; the maintenance of health and safety standards. Child labor is prohibited and no person under 18 years of age may be employed in a dangerous occupation.

COMPLIANCE WITH MANDATORY PROVISIONS

The Administrator finds that the Code as recommended complies in all respects and without limitation to the provisions of subsection (a) of Section 7 and subsection (b) of Section 10 of the National Industrial Recovery Act.

Accordingly, I recommend the approval of the Code of Fair Competition for the Feed Manufacturing Industry to the extent of my jurisdiction as stated in your Executive order of June 26, 1933.

Respectfully yours,

A handwritten signature in dark ink, reading "Hugh A. Johnson". The signature is written in a cursive style with a horizontal line at the end.

Administrator.

MAY 7, 1934.

CODE OF FAIR COMPETITION FOR THE FEED MANUFACTURING INDUSTRY

ARTICLE I—PURPOSES

To effect the policies of Title I of the National Industrial Recovery Act, this Code is established as a Code of Fair Competition for the Feed Manufacturing Industry, and its provisions shall be the standards of fair competition for such industry, and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

SECTION 1. The term "feed manufacturing industry" as used herein means the business of manufacturing and selling at wholesale of feed, primarily intended for animals, through any of the following processes either singly or in combination:

The grinding, crushing, or otherwise processing of grains other than for human consumption.

The mixing of grain, processed or unprocessed, with other products and/or byproducts of grain.

The mixing or blending of the products and/or byproducts of grain.

The milling of alfalfa into its products.

In any case, supplemental ingredients not produced from grains may or may not be included in the mixtures.

NOTE.—Nothing in this Code is to affect the sale of unmixed and/or unprocessed grains or unmixed byproducts.

SEC. 2. The term "feed" as used herein means feed for all manner of livestock, including poultry and other birds and domestic animals, but not products intended for human consumption.

SEC. 3. The term "member of the industry" or "manufacturer" as used herein means any person engaged in the processing or production of feed as defined in section 1, except that this definition shall not include any person engaged exclusively in custom mixing, custom grinding, or mixing or grinding of feeds for sale by himself at retail, except also that this Code shall not apply to any person engaged in the business of manufacturing or importing dog food or other pet foods for sale, if such person is engaged in such business exclusively or principally or incidental to other than a feed manufacturing business as such.

SEC. 4. The terms "Act," "Secretary", and "Administrator", as used herein mean, respectively, Title I of the National Industrial Recovery Act, the Secretary of Agriculture or his duly appointed agent, and the Administrator for Industrial Recovery or his duly appointed agent.

SEC. 5. The term "President" as used herein means the President of the United States.

SEC. 6. The term "employee" as used herein includes any and all persons engaged in the industry, however compensated, except a member of the industry.

SEC. 7. The term "employer" as used herein means any person by whom any such employee is compensated or employed.

SEC. 8. The term "outside salesman" as used herein means any person engaged exclusively in selling or sales promotion work and who does not regularly deliver.

SEC. 9. The term "watchman" as used herein means any person who is engaged primarily in watching and safeguarding the premises of a feed manufacturing establishment.

SEC. 10. The term "Southern Area" as used herein means the States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Louisiana, Texas, and Arkansas. The term "North" as used herein means the remainder of the United States.

SEC. 11. The term "person" as used herein means any individual partnership, corporation, association, and/or any other business unit.

SEC. 12. The term "Association" as used herein means the American Feed Manufacturers' Association, Inc.

SEC. 13. The term "Board of Directors" or "Board" as used herein means the Board of Directors of the American Feed Manufacturers' Association, Inc.

ARTICLE III—HOURS

SECTION 1. No employee shall be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any twenty-four (24) hour period, except as follows:

(a) Executive, supervisory, technical and administrative employees provided they receive regularly thirty-five dollars (\$35.00) or more per week; also outside salesmen.

(b) Factory and mechanical workers and artisans may be permitted to work as follows:

1. Forty-four (44) hours in any one week or nine (9) hours in any one day for a period of ten (10) weeks in any year.

2. Forty-eight (48) hours in any one week, or nine (9) hours in any one day for a period of ten (10) weeks in any year: *Provided, however,* All hours worked in excess of forty-four (44) in any one week shall be compensated at the rate of time and one third the normal hourly rate.

3. For the duration of the remaining thirty-two (32) weeks of such year, employees may be permitted to work forty (40) hours in any one week and eight (8) hours in any one day, averaged over a four (4) week period with a maximum of forty-four (44) hours in any one week, the extra hours to be paid at the normal hourly rate. The averaging period of four (4) weeks may be taken out of any four (4), five (5), or six (6) consecutive weeks.

The ten weeks' period, provided for in subsections 1 and 2, paragraph (b) hereof, need not be taken consecutively.

A report shall be made quarterly to the Code Authority, stating the number of weeks which any employee has worked in excess of forty (40) hours per week, or eight (8) hours per day.

(c) Clerical, accounting, or other office employees may be permitted to work forty-four (44) hours in any one week, or nine (9) hours in any one day, with no overtime: *Provided, however,* That no such employee shall be permitted to work in excess of one hundred and sixty (160) hours in any four (4) week period.

(d) Chauffeurs and deliverymen, provided they are not permitted to work more than forty-eight (48) hours in any one week.

(e) Watchmen not performing any operating functions, provided that no such watchman shall be permitted to work more than fifty-six (56) hours in any one week.

(f) Engineers, electricians, millwrights, grinders, foremen, and their immediate assistants necessary in preparatory and clean-up operation may be permitted to work four (4) hours per week and not more than one hour in any one day in excess of the hours specified in paragraph (b) of section 1 hereof, the compensation for extra hours worked to be fixed at the normal hourly wage rate, except that time and one third shall be paid for all hours worked in excess of forty-eight (48) hours per week.

(g) The maximum hours fixed in paragraph (b), section 1 hereof, shall not apply to employees engaged in emergency repair work, but in all such cases time and one third shall be paid for hours worked in excess of the maximum. Monthly reports of hours so worked shall be made to the Code Authority under this provision.

SEC. 2. No employee, except watchmen, shall be permitted to work more than six (6) days in any seven (7) day period.

SEC. 3. No employee shall be permitted to work for a total number of hours in excess of the hours prescribed for each week and day, whether employed by one or more employers.

ARTICLE IV—WAGES

SECTION 1. No employee shall be paid at less than the following wage rates:

(a) Clerical, accounting, or other office employees shall be paid at the following rates:

1. Not less than \$16.00 per week in cities of 500,000 population or over, or in the immediate trade area thereof;

2. Not less than \$15.00 per week in cities where the population is not less than 250,000 nor more than 500,000 or in the immediate trade area thereof;

3. Not less than \$14.00 per week in all other cities, towns and villages; except that office boys and messengers may be paid at a rate of two dollars (\$2.00) below the above minima: *Provided, however,* That the number of such office boys or messengers shall not exceed ten percent (10%) of the total number of all clerical and office employees, but each employer shall be entitled to at least one.

Population for the purposes of this Code shall be determined by reference to the 1930 Federal Census.

(b) Watchmen shall be paid at a rate of not less than sixteen dollars (\$16.00) per week in the North and at a rate of not less than fourteen dollars (\$14.00) per week in the Southern Area.

(c) Employees other than those covered in paragraphs (a) and (b), section 1 hereof, shall be paid at a rate of not less than forty cents (40 cents) per hour, except that in the Southern Area such employees shall be paid at a rate of not less than twenty-five cents (25 cents) per hour.

(d) Employees engaged in the milling of alfalfa other than those covered in paragraphs (a) and (b), section 1 hereof, shall be paid at a rate of not less than thirty-five cents (35 cents) per hour.

SEC. 2. This Code establishes a minimum rate of pay which shall apply, irrespective of whether an employee is actually compensated on a time-rate, piece-work, or other basis.

SEC. 3. Whenever the adoption of the minimum rates of this Code results in lessening the differential between unskilled labor and skilled labor, wages above the minimum shall be increased so as to maintain fair differentials. In no case shall average weekly rates be reduced as a result of the adoption of this Code. A report shall be made to the Administrator within ninety (90) days from the effective date of the Code, analyzing the adjustment of wages above the minimum, reporting the number of new employees in the industry, and the length of their service.

SEC. 4. All employees' wages shall be paid in lawful currency or by negotiable check payable on demand. These wages shall be exempt from any deductions other than those expressly authorized by the employee or upon service of legal process. All contracts of employment shall prescribe payment of wages at least semi-monthly.

SEC. 5. A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the State Authority, designated by the United States Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. No person under sixteen (16) years of age shall be employed in the industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or detrimental to health. Within sixty (60) days after the signing of this Code, the Code Authority shall submit to the Administrator a list of such operations or occupations. In any State an employer shall be deemed to have complied with this provision as to age, if he shall have on file a certificate or permit duly signed by the authority in such State empowered to issue employment or age certificate or permits showing that the employee is of the required age.

SEC. 2. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

SEC. 3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

SEC. 4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SEC. 5. No provision in this Code shall supersede any State or Federal law, which imposes on employers more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance, or fire protection, than are imposed by this Code.

SEC. 6. Employers shall not change the method of payment of compensation or reclassify employees or duties or occupations performed by such employees, or engage in any subterfuge so as to defeat the provisions of the Act or of this Code.

SEC. 7. Each employer shall post in conspicuous places, in English or such other language as may be required to render easily accessible to employees, the articles dealing with hours of labor, wages, and general labor provisions of this Code. Employers shall comply with rules and regulations of the Administrator as to the posting of this Code or portions thereof.

SEC. 8. Each employer shall provide for the safety and health of the employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator within six months after the effective date of the Code.

ARTICLE VI—ORGANIZATION, POWERS, AND DUTIES OF THE CODE AUTHORITY

SECTION 1. *Code Authority.*—A supervisory body to be known as the Code Authority shall be established for the purpose of assisting in the administration, supervision, and promotion of the performance of the provisions of this Code. Except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to order of the President, the Code Authority shall assist the Administrator in all matters relating to the administration of provisions in this Code relating to hours of labor, rates of pay, and other conditions of employment and shall assist the Secretary in all matters relating to the administration of all the other provisions of this Code.

SEC. 2. The Code Authority shall consist of not more than seven members of the industry and shall be constituted forthwith upon the approval of this Code in the following manner:

(a) Five members shall be elected for annual terms by the Board of Directors of the American Feed Manufacturers' Association, Inc., and two members shall be elected for annual terms by nonmembers of the Association pursuant to a plan to be submitted by the Association to the Secretary and the Administrator for their approval within ten days after effective date of the Code. The five association members shall function as a duly constituted Code Authority until the election and approval of the additional two members, which shall take place within sixty (60) days after the approval of the Code.

(b) In addition to membership as above provided, the Secretary and the Administrator may each appoint from one to three members without vote, and without expense to the industry to serve for such terms as they may specify.

SEC. 3. Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Secretary and the Administrator true copies of its articles of association, bylaws, regulations, and any amendments when made thereto—together with such other information as to membership, organization, and activities as the Secretary or the Administrator may deem necessary to effectuate the purposes of the Act.

SEC. 4. In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Secretary or the Administrator may prescribe such hearings as he may deem proper, and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority, or take such other action as the evidence adduced at the hearing may warrant.

SEC. 5. It being found necessary to support the administration of this Code, in order to effectuate the policy of the Act and to maintain the standards of fair competition established hereunder, the Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which shall be held in trust for the purposes of the Code and raised as hereinafter provided.

(b) To submit to the Administrator and the Secretary for their approval, subject to such notice and opportunity to be heard to the members of the industry as the Administrator and the Secretary may deem necessary:

1. An itemized budget of its estimated expenses for the foregoing purposes, and

2. An equitable basis upon which the funds necessary to support such budget shall be contributed by all members of the industry entitled to the benefits accruing from the maintenance of such standards, and the administration of this Code.

(c) After such budget and basis of contribution have been approved by the Administrator and the Secretary, to determine and collect such equitable contributions and to that end, if necessary, to institute legal proceedings therefor in its own name.

Each member of the industry shall be liable for his or its equitable contribution to the expenses of the maintenance of the Code Authority determined as hereinabove provided. Only members of the industry complying with the Code and making such contribution shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefits of its voluntary activities or to make use of any N.R.A. insignia.

SEC. 6. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful malfeasance or nonfeasance.

SEC. 7. If the Secretary or the Administrator shall determine as to the matters subject to their respective jurisdiction that any action of the Code Authority or any agency thereof may be unfair, or unjust, or contrary to the public interest the Secretary or the Administrator, as the case may be, may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Secretary or the Administrator approves, or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

SEC. 8. In all matters relating to the administration of the provisions of this Code, except those relating to hours of labor, rates of pay, and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to order of the President) the Code Authority shall have the following further powers and duties, the exercise of which shall be reported to the Secretary.

(a) To adopt bylaws and rules and regulations for its procedure.

(b) To obtain from members of the industry such information and reports as may be necessary for the administration of this Code by the Code Authority and the performance of its powers and duties hereunder.

No such individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Secretary.

(c) To use with the approval of the Secretary such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein: *Provided*, That nothing herein shall relieve the Code Authority of its duties or responsibility under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(d) To make recommendations to the Secretary for the coordination of the administration of this Code with such other codes, if any, as may be related to the industry or affect members of the industry.

(e) To recommend to the Secretary any action or measures deemed advisable, including further fair-trade-practice provisions to govern members of the industry in their relations with each other or with other industries, and measures for industrial planning.

SEC. 9. In all matters relating to the administration of the provisions of this Code relating to hours of labor, rates of pay and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to the order of the President) the Code Authority will have the following duties, the exercise of which shall be reported to the Administrator:

(a) To the best of its ability to insure the execution of the provisions of this Code and to provide by investigation of suspected violations or otherwise for the compliance by the industry and members thereof with the provisions of the Act, subject to such rules and regulations as may be issued by the Administrator.

(b) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the industry who have assented to, and are complying with, this Code.

(c) To adopt bylaws and rules and regulations for its procedure.

(d) To obtain from members of the industry such information and reports as may be necessary for the administration of this Code by the Code Authority and the performance of its powers and duties hereunder. No such individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Administrator.

(e) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(f) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to or affect members of the industry.

(g) To recommend to the Administrator any action or measures deemed advisable in connection with industrial planning and stabilization of employment.

ARTICLE VII—GENERAL TRADE PRACTICES

The following practices shall constitute unfair methods of competition, and are prohibited.

(a) To sell or offer to sell at a designated price for shipment beyond sixty days from date of sale.

(b) To extend or offer to extend the date of shipment, except for a period not exceeding sixty days and then only providing a carrying charge of 25 cents per ton for each fifteen days or portion thereof is made and collected.

(c) The guaranty by any member against decline of the price specified in any contract for the sale of feed, or the cancellation or rewriting of any contract for the purpose or with the effect of avoiding the accrual or collection of any carrying charges or any market loss which the seller would suffer through buyer's failure to fulfill his contract, or otherwise rebating any part of the contract price.

(d) *Consignment*.—The making of or entering into any agreement or contract, the effect of which will amount to the shipment or delivery of feed on consignment. "Consignment" as used herein means the shipment or delivery by any member of the industry to any buyer or agent of a buyer, of feed on which a definite or fixed price has not been made by such member of the industry.

The provisions of this article shall not apply to the sale of alfalfa products.

ARTICLE VIII—GENERAL

SECTION 1. *Modification*.—This Code and all the provisions thereof are expressly made subject to the right of the President of the United States, in accordance with the provisions of subsection (b) of section 10 of the Act, from time to time, to cancel or modify any order, approval, license, rule, or regulation issued under said Act.

SEC. 2. *Reports*.—The members of the industry shall severally, from time to time, upon the request of the Secretary (or the Administrator in the case of information relating to hours of labor, rates of pay, and other conditions of employment) furnish such information

to such Federal and State agencies on and in accordance with forms of reports supplied to them (which reports shall be verified under oath) as the Secretary or the Administrator may designate and require (1) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and (2) for the determination by the Secretary or the Administrator of the extent to which the declared policy of the Act is being effectuated by this Code.

Nothing in this Code shall relieve any person of existing obligations to furnish reports to Government agencies.

No individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Secretary or the Administrator.

SEC. 3. *Monopolies, etc.*—No provisions of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

SEC. 4. *Effective Date.*—This Code shall become effective on the second Monday after its approval by the President.

